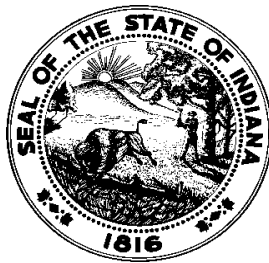


LOCAL GOVERNMENT TAX CONTROL BOARD



RECOMMENDATIONS
TO THE
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
FROM
MAY 24, 2007

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Call to Order

Dave Christian called the May 24th 2007 Local Government Tax Control Board meeting to order at 9:00 am. Board members present were Dave Christian, Dan Jones, Stan Mettler, Ken Giffin (at 10:00 am), John Stafford, Lisa Decker (left at 11:30 am), and Ken Kobe. Judy Robertson was the administrative officer for the meeting.

Recommendation:

Ken Kobe motioned to recommend approval of the April 26th 2007 Minutes. John Stafford seconded and the motion carried 6-0.

Washington Township, Hendricks County Park District Bonds

Summary: The unit is requesting approval to issue bonds in the amount of \$7,000,000 for a term of twenty (20) years for the purpose of (1) acquisition and development of land for recreational purposes; (2) design, construction, equipping and furnishing of a new community center; (3) renovations to existing bridge at park; (4) design and construction of a new bridge for entry into park; and (5) purchase of administration building.

Project Costs: \$7,400,000 Amount applied to debt: \$7,000,000 Annual Payment: \$578,375

Controlled or Uncontrolled: Controlled

Tax Rate Impact: 2007 AV \$2,357,576,745
Levy Needed \$538,000
Est. Debt Service Rate .0228

Meeting and Publication Dates:

| | |
|---|-----------------|
| Proof of publication for a public hearing | 03/08/2007 |
| Date of public hearing | 03/20/2007 |
| Resolution/Ordinances adopted | 03/20/2007 |
| Notice of Determination published | 03/22 & 29/2007 |

Auditor's Certificate 04/23 & 04/24 Not timely – remonstrance period expired 04/28

Common Construction Wage: 05/21/2007 Vote: 3-0-1

Attendance

The following people attended the meeting: Ronnie Austin (Trustee), Beth Harvey (Township Administrator), Kristen Machen (Township Parks Department), Jim Kovacs (Vice President Structurepoint, Inc.), and Gary D. Eakin (Danville Town Manager).

Discussion:

Ronnie: We did a master plan and held several meetings. We have nothing in Avon that serves as a Community Center. This has been in the works since 2003. The rate has dropped tremendously since 2003 in preparation to offer improvements to parks, trails, bridges and a community center. This will be a

great asset for the community. Several people attended the hearing and everyone is excited about the projects. We also anticipate receiving donations from local businesses for the projects.

Questions by board members:

John: The tax rate for this debt is just under three cents and your total tax rate is over twenty cents. What do you realistically expect the rate to be since your assessed values are continuing to increase?

Ronnie: We now have over \$4 billion in assessed value and when I took office four years ago, the assessed value was only \$1.4 billion. My expectation for the total tax rate is to be around twenty cents.

John: Do you provide park and recreation services to Avon as well?

Ronnie: Yes; Avon did annex a portion of one of our parks, but only a small portion.

John: Does Avon have its own Park Department?

Ronnie: Not really – they have one park that is basically a five acre lake.

Dan: On page three of the hearing information sheet there is no operating information listed. What do you expect the expenses to operate the Community Center to be?

Ronnie: We expect it to be self-sustained. We are not anticipating needing more staff or equipment. We will need to purchase chairs and tables for the Center and there will be increased electric and other utility costs, but we will have user fees to cover those increases.

Dan: On page four, you have listed land acquisition for \$1.1 million for three acres. Is land selling for over \$350,000 per acre?

Ronnie: It is for actually five acres, I do not know how three got on the hearing information sheet. Only 60% of the lease goes toward the purchase of property

Dan: Ok, that still leaves \$250,000 per acre.

Ronnie: There are two buildings on the property that we are going to buy and use as well.

Bruce: This is not new land – it has already been developed.

Dan: What is the \$1.6 million in the “Other” category allocated to?

Bob: For infrastructure like parking and utility installation.

Ken K: Explain what these two buildings are.

Ronnie: One building is being used as an administration building and is about 20,000 square foot. The other is 10,000 square foot and is being used as a shelter.

John: What building already exists that you have included in the lease?

Bruce: It is the Administration Office that they are already using – they have an option to purchase the building in the lease agreement and they are going to take that option. Not all of the buildings have park related purposes, so they are pro-rating them based on the type of use they have. The cumulative fund will also be reimbursed for expenses that have already been incurred for these projects.

Stan: The hearing information sheet shows total costs of \$7.4 million, what happens if that is not enough?

Bruce: Then they will need to prioritize and choose which projects to complete if the bids come in over the \$7.4 million. They are expecting private and public support and donations to finish some of the projects.

Dan: How much outstanding debt do you have?

Bob: The Park District has none. The Township has two bond issues. One was to build a two new fire stations and one was to purchase land for the Park District.

Lisa: Did any citizens object?

Ronnie: No, everyone is excited.

Dave: Do you have a breakdown of what each project costs? With what I see here, the amounts do not add back together.

Bob: I have a page here, it should have been included in your packet, that gives the budget breakdown.

Dave: We do not have that page that you are holding up. (The Board Members looked at the page that Bob Swintz had). This still does not add up to \$7.4 million.

Ken K: If you will need to prioritize, what projects would be lopped off?

Ronnie: The Community Center is the number one priority; if we need to eliminate a project, then it will be the recreation center.

Dan: Do you have a loose equipment list that you can send us?

Bob: There is not one at this time; it is just a budgeted amount.

Recommendation:

John Stafford motioned to recommend approval to issue park district bonds in the amount of \$7,000,000 for a term of twenty (20) years. Lisa seconded and the motion failed 2-3-1 with Ken Kobe abstaining.

Stan: I find it hard to approve this project because of the disjointed information we have been given. You have not been able to answer our questions on the budget breakdown or individual budgets for each project. We cannot follow the costs with the information you have shown us. The sheet you passed around did not come back to the \$1.6 million and you cannot explain what all the costs are for.

Ronnie: I am an engineer myself, but of course I cannot get involved, but I can tell you that these numbers are really close to what it will cost. This is for the benefit of our community and we anticipate their support and donations. The loose equipment will be for chairs and tables and the like.

Dave: We are trying to fill in the blanks and not being successful. We would like to have more detail on the budget. On the loose equipment list you do not need to list every piece of equipment, but it should be broken out into categories; for example, "Furniture and Fixtures" and so forth.

Second Recommendation:

Dan Jones motioned to postpone a decision and have the unit come back for the June meeting and send more detailed information before that time. Stan Mettler seconded and the motion carried 6-0-1 with Ken Kobe abstaining.

Town of Danville, Hendricks County General Obligation Bonds

Summary: The unit is requesting approval to issue bonds in the amount of \$300,000 for a term of four (4) years for the purpose of purchasing ten replacement police vehicles and related accessory equipment.

Project Costs: \$300,000 Amount applied to debt: \$300,000 Annual Payment: \$109,000

Controlled or Uncontrolled: Uncontrolled

Tax Rate Impact: 2007 AV \$364,728,408
 Levy Needed \$98,540
 Est. Debt Service Rate .0270

Meeting and Publication Dates:
 Resolution/Ordinances adopted 04/16/2007
 Notice of Determination published 04/19 & 26/2007

Auditors Certificate 05/21/2007

Attendance

The following people attended the meeting: Gary Eakin (Town Manager), Jim Treat (Financial Advisor with O.W. Krohn & Associates), Rosy Oshry (Financial Advisor with O.W. Krohn & Associates), Lisa Lee (Bond Counsel with Ice Miller), and Susan Reed (Bond Counsel with Ice Miller).

Discussion:

Gary: We would like to take the opportunity to provide this type of equipment in order to decrease operating and maintenance costs. We have previously issued bonds for this type of equipment and for other public works and park projects and it seems to work well for us. We would like to purchase ten Charges that are on the State bid list. They would be used for eight police officers, one detective and one evidence vehicle.

Questions by board members:

Stan: Why are you issuing bonds instead of doing a lease purchase?

Gary: In our experience, we have found that issuing bonds costs us less in interest cost. Lease purchases tend to have higher interest rates associated with them, especially when you deal with local banks like we do.

Stan: What is the expected life of police vehicles?

Gary: Five to six years.

Stan: How many vehicles are in your fleet?

Gary: Sixteen officer vehicles plus two or three that we use as reserve vehicles when we hire part-time police officers.

Dave: You have existing debt that is expiring and will be replaced with this debt?

Jim: Yes and the annual amount is almost exactly the same so there will be no tax increase.

Dan: Do you have a rainy day fund and if so, what is the balance?

Gary: Yes, we do; we just appropriated \$100,000 and that left about \$43,500.

Dan: How about in the cum fund?

Gary: The CCI has about \$66,000 approximately.

Recommendation:

Ken Kobe motioned to recommend approval to issue general obligation bonds in the amount of \$300,000 for a term of four (4) years. Lisa Decker seconded and the motion carried 7-0.

Town of Pendleton, Madison County
Lease Financing

Summary: The unit is requesting approval to execute a lease in the amount of \$600,000 for a term of fifteen (15) years for the purpose of purchasing an existing building and doing some minor changes in the layout of the building.

Project Costs: \$600,000 Amount applied to debt: \$600,000 Annual Payment: \$68,600

Controlled or Uncontrolled: Uncontrolled

| | | |
|------------------|------------------------|---------------|
| Tax Rate Impact: | 2006 AV | \$136,156,710 |
| | Levy Needed | \$62,150 |
| | Est. Debt Service Rate | .0456 |

Meeting and Publication Dates:
Resolution/Ordinances adopted 04/05/2007

Common Construction Wage: N/A

Attendance

The following people attended the meeting: Jim Treat (Financial Advisor with O.W. Krohn & Associates), Dennis Otten (Bond Counsel), Rosy Oshry (Financial Advisor with O.W. Krohn & Associates), Alex Intermill (Bond Counsel/Town Attorney), and Don Henderson (President of the Town Council).

Discussion:

Don Henderson: I would like to begin by giving a brief history so you know where we are coming from. We are one of two complete towns that are listed on the National Historic Registry – Madison being the other. We were here two years ago for approval to build a new fire station jointly with Fall Creek Township. That relationship worked wonderfully. We were also here five years ago for a Park District bond, also jointly with Fall Creek Township that worked just as well. We are now in desperate need of a new Town Hall. We looked into building a new one and that cost was between 3 ½ and 4 million dollars. Last year the school began plans to build a new middle school and we support that need. With the school debt coming on, we felt it would be too much of a burden to add another \$4 million. A local bank wants to downsize and approached us to see if we would be interested in purchasing their building. I couldn't wait to say "yes". The first appraisal came in at \$525,000 and the second appraisal was \$530,000, so we are purchasing the building for \$527,500. We have added a few thousand onto the loan amount in order to remodel the inside for use as a Town Hall. The bank has already completed a lot of renovations inside by replacing wiring and the like. The project is supported by the townspeople and there has been no remonstrance. We are trying to be prudent. This Board has been very supportive of our plans in the past and we feel this project is just as worthy of your support now.

Questions by board members:

Dave: This is not the only debt you have – you are close to \$7 million and this project will put you over \$7 million.

Don: No one has a problem with the debt rate – they are very supportive. We strive to put our town first.

Jim: Except for the lease for the police vehicles, all the other debt is jointly obligated with Fall Creek Township. This will be the only bond issue the Town will be solely responsible for.

Don: The Town's portion of the debt is thirty percent, and the Township's is seventy percent.

Ken K: How did you decide on a fifteen year term?

Jim: We are dealing with local banks and they really do not like to go beyond a fifteen-year term. It was also based on having the least tax impact with the school debt coming on.

Dennis: This will also preserve some of the debt limit in case something else happens and they need some debt flexibility.

Dan: On page 5 why is there bond counsel expenses if this is a lease?

Dennis: Because bonds will be sold under the lease agreement by the holding corporation.

Stan: What will happen to the current building?

Don: It will be sold and the proceeds will be used for any shortfalls or be applied to the debt. We estimate that the building is worth around \$140,000 - \$150,000.

Stan: The \$69,000 payment is based on the worst case scenario?

Jim: Yes, we really do not expect it to be that high. That amount is based on a 7% interest rate and the actual rate will probably be under 5%.

Stan: What amount was advertised?

Dennis: The maximum amount was advertised - \$69,000 per year assuming a 7% rate.

Don: We also own the electric utility and will use utility revenue to help operate and maintain the building.

Recommendation:

Ken Kobe motioned to recommend approval to execute a lease in the amount of \$600,000 with maximum annual lease rental payments not to exceed \$69,000 for a term of fifteen (15) years. John Stafford seconded and the motion carried 7-0.

Florida Township, Parke County Fire Equipment Loan

Summary: The unit is requesting approval to obtain a loan in the amount of \$200,000 for a term of six (6) years for the purpose of purchasing a 2008 Kenworth T300 fire truck tanker.

Project Costs: \$200,000 Amount applied to debt: \$200,000 Annual Payment: \$39,552

Controlled or Uncontrolled: Controlled

| | | |
|------------------|------------------------|--------------|
| Tax Rate Impact: | 2006 AV | \$55,359,468 |
| | Levy Needed | \$39,552 |
| | Est. Debt Service Rate | .0714 |

Meeting and Publication Dates:

| | |
|--|------------|
| Date of publication for a public hearing | 02/14/2007 |
| Date of public hearings | 02/26/2007 |
| Resolution/Ordinances adopted | 02/26/2007 |
| Notice of Determination | 03/07/2007 |

Auditor's Certificate of No Remonstrance: 04/10/2007

Fire Marshall's Response: Reasonable

Attendance

The following people attended the meeting: Steve Rukes (Trustee).

Discussion:

We are dealing with a used tanker and have for the last twenty years. We have never purchased a new one before. The most recent tanker we have was donated and it needs a lot of work. The tanker is too heavy for our covered bridges. It is also only a 1500 gallon tanker, which is not big enough to extinguish a barn fire. We will use the tanker to help out another department in our county by providing mutual aid.

Questions by board members:

Ken G: Is there any access to recycle vehicles that will provide the same need but cost less?

Steve: That is what we do, but you get tired of dealing with used equipment all the time that is not the best quality. They usually need a lot of work done before they are usable.

John: The total township rate was a little over seven cents in 2004; in 2008 it will be over twenty cents – what is the reaction from the taxpayers?

Steve: They are in total support. Seventeen people attended the meeting and only six of those were firefighters. I would not support this myself if I did not see the need or if I thought the people did not support the purchase.

Dan: The outstanding debt you have listed – what was that for?

Steve: We purchased a pumper three years ago for the other department.

Recommendation:

Stan Mettler motioned to recommend approval for a fire equipment loan in the amount of \$200,000 for a term of six (6) years. Lisa Decker seconded and the motion carried 7-0.

**Sugar Creek Township, Parke County
Fire & Civil Maximum Levies**

Summary: The unit is requesting to establish their civil and fire maximum levies.

| | | | | |
|-------|---------|----------|-------|-------------------|
| Levy: | Budget | Levy | Rate | Operating Balance |
| Civil | \$8,640 | \$13,839 | .1108 | \$6,569 = 76% |
| Fire | \$3,000 | \$3,450 | .0276 | \$750 = 25% |

Resolution of fiscal body approving the levies 04/16/2007

Note: If we reduce the operating balance to a maximum of 50%, then the levy and rate would be:

| | | | | |
|-------|---------|--------|-------|---------------|
| Civil | \$8,640 | 11,590 | .0927 | \$4,320 = 50% |
|-------|---------|--------|-------|---------------|

Attendance

The following people attended the meeting: Tom Asher (Trustee).

Discussion:

The population of Sugar Creek is 390. The previous trustee did not establish a budget for several years. He operated off of surplus. That surplus will be exhausted by the end of the year. I have put together a bare bones budget. We are served by five fire departments, two of which are outside the county.

Questions by board members:

John: How have you been operating for so long?

Tom: Off of uncashed checks, CD's and donations. We have enough in uncashed checks to operate the cemetery and to give the fire department a little. We are debt free.

Dan: The one thing I would point out is that we limit the operating balance to 50% of the budget. If you will look at the form 4B, line 11, you will see the operating balance is 75%. If we limit the balance to 50%, the new levy will be \$11,590. I have no problem with the fire levy.

Recommendation:

Ken Kobe motioned to recommend approval of a civil maximum levy in the amount of \$11,590 and a fire maximum levy in the amount of \$3,450. Lisa Decker seconded and the motion carried 7-0.

City of Columbus, Bartholomew County Redevelopment District Bonds

Summary: The unit is requesting approval to issue bonds in the amount of \$1,000,000 for a term of twenty-two (22) years. Proceeds will be used to construct an access road, sanitary sewer and water into a new industrial development area.

Project Costs: \$1,000,000 Amount applied to debt: \$1,000,000 Annual Payment: \$138,200

Controlled or Uncontrolled: Uncontrolled

| | | |
|------------------|------------------------|-----------------|
| Tax Rate Impact: | 2006 AV | \$2,308,802,270 |
| | Levy Needed | \$138,200 |
| | Est. Debt Service Rate | .0060 |

Meeting and Publication Dates:

| | |
|-------------------------------|------------|
| Resolution/Ordinances adopted | 04/26/2007 |
|-------------------------------|------------|

Auditor's Certificate of No Remonstrance: N/A

Common Construction Wage hearing 04/20/2007 Vote: 4-0-1 abstained.

Attendance

The following people attended the meeting: Brenda Sullivan (Clerk Treasurer), Tom Vujovich (President of the Redevelopment Commission), Bruce Donaldson (Bond Counsel with Barnes & Thornburg), Courtney Schaafsma (Financial Advisor with Crowe Chizek), and Courtney Carr (Executive Director of Economic Development).

Discussion:

Tom: All the development takes place within the established TIF District. The proposal is to provide infrastructure to the newly found economic park. This will be a major revenue generator for the Redevelopment Commission. The City Council vote was unanimous. We also have strong support from the County Commissioners.

Questions by board members:

Dave: Are you looking for a guarantee back-up?

Bruce: Yes; they are intending to use TIF revenues, plus it falls under \$2 million, so it is not a controlled project. They are here for back-up consideration for interest rate purposes only.

Tom: We are critically short on industrial land (displayed a map of the area and showed where the TIF Districts are). This site is critical to meet development needs.

Dave: How much TIF funds do you have?

Courtney: There are two different scenarios. Per the establishing ordinance, they are entitled to all of the revenue from the District, including the abatement roll-offs. At the time that they established the District, there was a gentlemen's agreement with the Town that they would not take the abatement roll-offs. Page 14 of the financial report shows the scenario if abatement roll-offs were taken. Page 28 shows the scenario if the roll-offs were not taken. There is 110% coverage over the life of the bonds. This bond will not have a developer guarantee.

Ken K: This project will open a significant area for development.

Tom: Yes, the initial purchase is 105 acres, plus another potential 34 acres we are in negotiations for, plus an additional 20 acres that may be possible.

John: Your intent is to pay the debt with TIF revenues, if they are there. But aside from the TIF part, this is still an uncontrolled project that does not need our approval, correct?

Bruce: Yes, though for marketing factors they are asking for it.

Stan: Have the GO bonds in 2007, both taxable and non-taxable, already been issued?

Courtney: No, we expect to sell them within the next month or two.

Stan: The total project costs are \$895,000, so why are you asking for \$1 million?

Courtney: The rest is for contingencies and bid fluctuations.

Dan: Is there a cap on how much TIF revenue you can capture?

Courtney: No.

Bruce: This is a fairly decent size area and they expect a lot of development.

Dave: What kind of development do you expect – manufacturing, retail, residential?

Tom: You have just summed up all of it. There are already two hotels being built in the downtown TIF area, and we expect more of the same, plus additional types of development in this area.

Dave: What is the expiration date of the TIF District?

Tom: It was established in 2004 for the maximum of thirty years.

Dan: Does the TIF District have a rate?

Bruce: No, it was established before they were eligible for one.

Stan: I am confused with the taxable and tax-exempt portion of this. Have they been approved and just not issued?

Courtney: Yes, exactly.

Stan: Did any of the school or other local governmental units object to the establishment of the District because assessed value was going to be taken away?

Tom: No, they understood the benefits this will have for them also. Another point is that we have designated no new development with personal property.

Dan: What is the trend of your property tax collections?

Courtney: It is in the high 90 percent. Anything below 95 percent, we note in the financial report and we had no notes with this report. The collection rate is greater than 95%, but I do not know the exact percentage.

Dan: Page 7 in the hearing information sheet shows nothing listed in outstanding debt, do you have any?

Courtney: Currently they have none. Technically speaking, the parking garage bonds have not been issued yet, so there is no debt obligation yet.

Recommendation:

John Stafford motioned to recommend approval to issue redevelopment district bonds in the amount of \$1,000,000 for a term of twenty-two (22) years. Lisa Decker seconded and the motion carried 6-0-1 with Ken Kobe abstaining.

**Town of Munster, Lake County
General Obligation Bonds**

Summary: The unit is requesting approval to issue bonds in the amount of \$10,600,000 for a term of twenty (20) years for the purpose of acquiring real property in serving or benefiting the Ridge Road/Calumet Avenue Economic Development Area.

Project Costs: \$10,600,000 Amount applied to debt: \$10,600,000 Annual Payment: \$1,033,500

Controlled or Uncontrolled: Controlled

| | | |
|------------------|---------------|-----------------|
| Tax Rate Impact: | 2006 AV | \$1,597,432,193 |
| | Levy Needed | \$964,049 |
| | Est. Tax Rate | .0603 |

Meeting and Publication Dates:

| | |
|---|-----------------|
| Proof of publication for a public hearing | 03/24 & 29/2007 |
| Date of public hearing | 04/09/2007 |
| Resolution/Ordinance adopted | 04/09/2007 |
| Notice of Determination | 04/13 & 20/2007 |

Auditor's Certificate of No Remonstrance 05/17/2007 – Not timely Remonstrance period expired 05/20/07

Attendance

The following people attended the meeting: Tom DeGiulio (Town Manager), Dave Shafer (Clerk Treasurer), Lisa Lee (Bond Counsel with Ice Miller), Todd Samuelson (Financial Advisor with H.J. Umbaugh), and Tricia Abbott (Deputy Clerk Treasurer).

Discussion:

Tom began the presentation by showing maps and explaining what the scope of the project is. His presentation detailed the following points (see file for full presentation notes):

- Background of the project
 - This is the first component of a much larger capital improvement project – the realignment and grade separation of Calumet Ave and 45th Street in Munster
 - No grade separated railroad crossings
 - Access for emergency services is limited
 - The two crossings are close enough to be blocked by a single train parked on the tracks
 - No capacity for routes to connect to Illinois
 - Currently have a request for \$2.8 million in federal funding to complete engineering portion
 - Have already received \$500,000 in federal fund in 2006
 - Total cost of project is \$45-\$50 million
 - Funding will come from a mix of Federal, State and local sources
- Scope of issue
 - Land acquisition is the necessary first step
 - Eight parcels have been identified and is what this bond issuance will go toward
 - The underpass will eliminate the access to some commercial properties which requires the Town to purchase all of the parcels
 - Renters are reluctant to sign or renew long term leases in the area because of this plan
 - The lease rental proceeds will be used to defray a portion of the debt payments
 - One of the parcel owners is already planning a new facility within the TIF area
 - After construction is completed, the remaining land can be used for compatible uses
- Structure of issue and repayment sources
 - The \$10.6 million will be used for the initial land acquisition
 - This will be a taxable issue
 - They will sell the bonds in series, as funds are required for the purchase of properties
 - The first series will be used to purchase parcels 1-6 on the map
 - Negotiations for these parcels should be complete in the next few weeks
 - The second series will be to purchase parcel 7 and will require re-locating it without interrupting or shutting down their business for any length of time
 - The debt payment will be retired using
 - Anticipated lease revenues before the buildings are rendered obsolete
 - TIF revenues from other developments in the area

- Property taxes will be used to close the remaining gap
 - Tax impact is estimated to be .0181 after the 2% circuit breaker

This represents the first redevelopment bond issue for the Town. They have a comprehensive long-term capital plan that incorporates the issuance of new debt as old debt is retired. The Town Council's goal for the past thirty years has been to keep the tax rate as level as possible as it relates to debt issues. They have structured this issue to have a minimal impact of the overall rate. Umbaugh & Associates have prepared a detailed analysis of projected TIF revenue and lease rentals to pay for this issue. They have taken into account the impact of the property tax circuit breaker on capital planning and debt issuance.

Questions by board members:

Dave: Do you have a breakdown of the complete project?

Tom: Yes, but I did not bring that with me today.

Dave: What is your time table?

Tom: We would like to close on parcels 1-6 this year and parcel 7 by the end of the year or the first part of next year. Parcel 8 will be the last and we will not buy that until construction begins and we hope that is by the end of 2008.

Dave: Have you completed the environmental studies?

Tom: Not yet, we have obtained half a million dollars from INDOT to begin the study that will take us up to the design portion.

Dave: Any breakdown on the \$10.6 million?

Tom: At the bottom of one of the maps it has a section that shows most of it. Some of the parcels have not been appraised yet, so we are estimating.

Todd: The TIF revenue is not sufficient to cover the debt payment, so they are requesting a special benefits tax. They will use lease revenues, TIF revenues and property taxes as needed.

Ken K: Do you anticipate issuing any other bonds using this TIF revenue?

Lisa: No, not with this TIF.

John: Was there any remonstrance?

Lisa: No, they held three public hearings and nine meetings between the Redevelopment Commission and the Town Council.

Dave: I am still trying to see where you arrived at the \$10.6 million.

Tom: The Munster Steel location will cost more than the appraisal because we will have to relocate them.

Ken K: What is a realistic time frame to get this done?

Tom: The land acquisition should be completed by the end of next year. We have a \$4 million allocation from NIRPC for 2010. We hope to start construction by 2010 and be done by 2012.

Dan: What was the circuit breaker impact?

Todd: It was under \$200,000 last year.

Tom: We are only 18% of the total County rate. We will minimize the tax rate by issuing the bonds in series and using available funds to cover the debt payment.

Dan: What is your outstanding debt?

Tom: The Redevelopment Commission has none. The Town has \$23,070,000 divided between bonds and leases. There is \$4.6 million in municipal bonds, \$3.5 million in park bonds, \$14 million for one lease and \$825,000 outstanding from a previous lease.

Todd: Most of that debt is short-term and will expire as this new debt comes on.

Dan asked for an amortization schedule for outstanding debt.

Recommendation:

Ken Giffin motioned to recommend approval to issue general obligation bonds in the amount of \$10,600,000 for a term of twenty (20) years. Ken Kobe seconded and the motion carried 6-0.

**Miami Township, Cass County
Emergency Fire Loan**

Summary: This unit attended the April 26th meeting and was asked to come back with additional information at the meeting. The unit is requesting approval to obtain a loan in the amount of 134,483 for a term of one (1) year for the purpose of funding the fire contract through 2007 and to acquire the funds to pay two stand-by firefighters for half a year.

Project Costs: \$134,483

Amount applied to debt: \$134,483

Annual Payment: \$143,992

| Emergency Loan Calculation: | 2007 proposed | Budget Information | Amount |
|---------------------------------|--------------------|------------------------|----------------|
| Certified Property Taxes | \$12,772 | Advertised Budget | \$30,000 |
| Certified Misc. Revenue | \$15,145 | Adopted Budget | \$30,000 |
| Jan. 1st Cash Balance (June 30) | \$11,460 | | |
| Total Funds Available | \$39,377 | | |
| Less: Prior Year Encumbrances | \$0 | Approved Budget | |
| Less: Estimated Expenses | \$173,860 | by the DLGF | \$25,867 |
| Funds Needed | \$(134,483) | DLGF cut Budget | \$4,133 |

Note: The estimated expenses are \$143,860 over the adopted budget. The advertised and adopted budget is \$30,000 and total funds available are \$39,377.

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|------------------|---------------|--------------|
| Tax Rate Impact: | 2006 AV | \$45,773,840 |
| | Levy Needed | \$122,393 |
| | Est. Tax Rate | .2674 |

Meeting and Publication Dates:

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| Date of publication for a public hearing | 02/12/2007 |
| Date of public hearing | 02/22/2007 |
| Resolution/Ordinance adopted | 02/22/2007 |
| Notice of Determination | 03/02/2007 |

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| Auditor's Certificate of No Remonstrance | 04/03/2007 |
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Attendance

The following people attended the meeting: Tim Buffum (President of Volunteer Firefighters), Kyle Anderson (Trustee), Eric Reedy (Financial Advisor), and Steve Buschmann (Attorney).

Discussion:

Steve: Since the meeting last month, we have received 203 signatures approving the loan. The population is only 1300. The top part of the petition clearly shows the expenses that the department is requesting a loan for.

Kyle: I have a page here that shows the breakdown of the cost to hire two paid stand-by firefighters and the related benefits and equipment.

Questions by board members:

Stan: You are not going to purchase this equipment every year – what is the equipment expected life?

Kyle: No, you are correct. Most of the equipment has a three-year life, but if it is damaged during a fire, then we will have to replace it early.

Dan: The dramatic increase of \$30,000 to \$130,000 is what concerns me. Why do you need a thermal camera – aren't you in a basically rural area?

Tim: It is to search for people in a fire without sending a firefighter in to search. It also allows us to search behind walls to see if there is fire on the other side. The camera saves lives. Also, we are not doing a lot of things that OSHA requires. We do not pay for physicals, which should be done every year. Our volunteers do not have the proper training because I cannot afford it, nor can I afford staff to fill in when all the volunteers do not show up at a fire. Most of the time, there is only one person entering the fire at a time.

Steve: Two years ago they had twenty-three volunteers; this year they have sixteen and that will probably decrease further. I did an analysis comparing cost per person with other departments in the state. The total budget relates to \$100 per person for fire protection. I arrived at that by taking the budget of \$154,000 minus \$13,000 and dividing it by 1300 people. Compare that to Marion County departments who have a cost per person of around \$178. This department is still very cost efficient.

Ken K: What would be the full year impact of two paid stand-bys?

Eric: Around \$155,000 I guess.

John: What do you anticipate the emergency loan next year will be?

Eric: About \$145,000.

Ken K: Will adding the firefighters impact the insurance rating?

Tim: Yes; our ISO rating is currently 9. With this improvement, it would probably increase to 8+ or 8b. That would drop insurance premiums by 15% - 20%.

Dave: \$211,000 of this is for one-time expenses. You are asking for \$114,972, where is the rest coming from?

Tim: Fund raising efforts and donations.

John: Are you intending to establish a cum fund? What expenses would be paid from that revenue?

Eric: Yes, we are in the process of establishing a cum fire fund and it would pay for the capital equipment.

Ken K: How many paid fire departments are there in Cass County?

Tim: One and that is in Logansport.

John: What is the term of the township advisory board members and how many serve on the fire department's board also?

Tim: The township board members term is four years and only one is on the fire department's board also.

Dan: My motion would be to reduce supplies by \$15,000 and remove the \$25,000 for capital equipment. They are one time expenses and do not fit as an emergency item.

Stan: The problem I have with that motion is because the contract has already been signed for 2007 and they are only short about \$4,000 in meeting that obligation. I do not think they have an emergency; they only need \$4,000 to meet their budget.

Ken K: I guess I am on the other side. I feel they have demonstrated a need and I would support the full amount.

Recommendation:

Dan Jones motioned to recommend approval of an emergency fire loan in the amount of \$74,972 for a term of one (1) year. John Stafford seconded and the motion carried 4-1-1 with Dave Christian abstaining and Stan Mettler casting the dissenting vote.
